



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

25 Sigourney Street  
Hartford CT 06106-5032

**SN 2003(13)**

**SPECIAL NOTICE**

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**2003 Legislation Affecting the Succession Tax**

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**Purpose:** This Special Notice describes legislation passed during the June 30 Special Session of the Connecticut General Assembly delaying the incremental reduction and the ultimate repeal of the succession tax for a net taxable estate passing to any Class B or Class C beneficiary.

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**Effective Date:** August 16, 2003, and applicable to transfers from estates of decedents dying on or after March 1, 2003.

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**Statutory Authority:** Conn. Gen. Stat. §12-344(d) and (e), as amended by 2003 Conn. Pub. Acts 1, §94 (June 30 Spec. Sess.).

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**Effect on Class AA beneficiaries and Class A beneficiaries:** The net taxable estate passing to any Class AA beneficiary or to any Class A beneficiary is and remains exempt from succession tax.

A person is a Class AA beneficiary of the decedent if he or she is the decedent's spouse. The net taxable estate passing to a Class AA beneficiary is and remains exempt from succession tax if the decedent died on or after July 1, 1988.

A person is a Class A beneficiary of the decedent if he or she is the decedent's parent; grandparent; adoptive parent, or a natural or adopted descendant, such as a daughter, son, grandchild, or great-grandchild. The net taxable estate passing to a Class A beneficiary is and remains exempt from succession tax if the decedent died on or after January 1, 2001.

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**Effect on Class B beneficiaries and Class C beneficiaries:** The net taxable estate passing to any Class B or Class C beneficiary is affected by the

delay in the incremental reduction and ultimate repeal of the succession tax.

A person is a Class B beneficiary of the decedent if he or she is the decedent's brother or sister (full or half) or adopted brother or sister; a natural or adopted descendant of the brother or sister (niece or nephew related by blood); stepchild; or the spouse or unremarried widow(er) of the decedent's natural or adopted child.

A person is a Class C beneficiary of the decedent if he or she is not a Class AA beneficiary, a Class A beneficiary, or a Class B beneficiary. For example, a Class C beneficiary may include the decedent's cousin, uncle, aunt, sister-in-law, brother-in-law, stepbrother, stepsister, or step-grandchild, as well as unrelated individuals and associations or corporations.

The following tables take into account the effective tax rate and are applicable to the net taxable estate of a decedent who dies during 2001, 2002, 2003, or 2004 passing to a Class B or Class C beneficiary. The *effective tax rate* means and includes the tax under Conn. Gen. Stat. §12-344(d) or (e), the surtax under Conn. Gen. Stat. §12-344a(a), and the additional surtax on the sum of the tax and the surtax under Conn. Gen. Stat. §12-344a(b). The tables do not cover the net taxable estate passing to a Class AA or Class A beneficiary, or any transfer to any charitable, literary, scientific, historical, religious, or government-related organization. Transfers from an estate of a decedent to any charitable, literary, scientific, historical, religious, or government-related organization are exempt from succession tax. Conn. Gen. Stat. §12-347(a). (See **Form C-107, Tax Tables for Succession and Transfer Taxes**, on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) for tax tables applicable to the net taxable estate of a decedent who died before 2001.)

## Tax Table for Estates of Decedents Dying During 2001 or 2002

Class AA. Exempt				
Class A. Exempt				
Class B. (Total exemption for class (\$600,000) is included in table.)				
If net taxable amount passing to Class B is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$600,000	\$0	-----	-----
600,000	1,000,000	0	12.87%	\$600,000
over 1,000,000	-----	51,480	14.30%	1,000,000
Class C. (Total exemption for class (\$200,000) is included in table.)				
If net taxable amount passing to Class C is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$200,000	\$0	-----	-----
200,000	250,000	0	14.30%	\$200,000
250,000	400,000	7,150	15.73%	250,000
400,000	600,000	30,745	17.16%	400,000
600,000	1,000,000	65,065	18.59%	600,000
over 1,000,000	-----	139,425	20.02%	1,000,000

## Tax Table for Estates of Decedents Dying During January or February 2003

Class AA. Exempt				
Class A. Exempt				
Class B. (Total exemption for class (\$1,500,000) is included in table.)				
If net taxable amount passing to Class B is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$1,500,000	\$0	-----	-----
over 1,500,000	-----	0	11.44%	\$1,500,000
Class C. (Total exemption for class (\$400,000) is included in table.)				
If net taxable amount passing to Class C is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$400,000	\$0	-----	-----
400,000	600,000	0	17.16%	\$400,000
600,000	1,000,000	34,320	18.59%	600,000
over 1,000,000	-----	108,680	20.02%	1,000,000

**Tax Table for Estates of Decedents Dying On or After March 1, 2003  
And Prior to January 1, 2005**

<b>Class AA. Exempt</b>				
<b>Class A. Exempt</b>				
<b>Class B. (Total exemption for class (\$600,000) is included in table.)</b>				
If net taxable amount passing to <b>Class B</b> is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$600,000	\$0	-----	-----
600,000	1,000,000	0	12.87%	\$600,000
over 1,000,000	-----	51,480	14.30%	1,000,000
<b>Class C. (Total exemption for class (\$200,000) is included in table.)</b>				
If net taxable amount passing to <b>Class C</b> is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$200,000	\$0	-----	-----
200,000	250,000	0	14.30%	\$200,000
250,000	400,000	7,150	15.73%	250,000
400,000	600,000	30,745	17.16%	400,000
600,000	1,000,000	65,065	18.59%	600,000
over 1,000,000	-----	139,425	20.02%	1,000,000

**Tax Table for Estates of Decedents Dying During 2005**

<b>Class AA. Exempt</b>				
<b>Class A. Exempt</b>				
<b>Class B. (Total exemption for class (\$1,500,000) is included in table.)</b>				
If net taxable amount passing to <b>Class B</b> is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$1,500,000	\$0	-----	-----
over 1,500,000	-----	0	11.44%	\$1,500,000
<b>Class C. (Total exemption for class (\$400,000) is included in table.)</b>				
If net taxable amount passing to <b>Class C</b> is at least:	but is less than or equal to:	the tax is the sum of:	plus the following %:	of the amount exceeding:
\$0	\$400,000	\$0	-----	-----
400,000	600,000	0	17.16%	\$400,000
600,000	1,000,000	34,320	18.59%	600,000
over 1,000,000	-----	108,680	20.02%	1,000,000

## Tax Table for Estates of Decedents Dying During 2006

<b>Class AA. Exempt</b>				
<b>Class A. Exempt</b>				
<b>Class B. Exempt</b>				
<b>Class C. (Total exemption for class (\$600,000) is included in table.)</b>				
<b>If net taxable amount passing to Class C is at least:</b>	<b>but is less than or equal to:</b>	<b>the tax is the sum of:</b>	<b>plus the following %:</b>	<b>of the amount exceeding:</b>
\$0	\$600,000	\$0	-----	-----
600,000	1,000,000	0	18.59%	\$600,000
over 1,000,000	-----	74,360	20.02%	1,000,000

## Tax Table for Estates of Decedents Dying During 2007

<b>Class AA. Exempt</b>				
<b>Class A. Exempt</b>				
<b>Class B. Exempt</b>				
<b>Class C. (Total exemption for class (\$1,500,000) is included in table.)</b>				
<b>If net taxable amount passing to Class C is at least:</b>	<b>but is less than or equal to:</b>	<b>the tax is the sum of:</b>	<b>plus the following %:</b>	<b>of the amount exceeding:</b>
\$0	\$1,500,000	\$0	-----	-----
over 1,500,000	-----	0	20.02%	\$1,500,000

## Tax Table for Estates of Decedents Dying During 2008 or Thereafter

<b>Class AA. Exempt</b>
<b>Class A. Exempt</b>
<b>Class B. Exempt</b>
<b>Class C. Exempt</b>

**Effect on Other Documents:** While this Special Notice does not modify **Special Notice 2001(10)**, *More 2001 Legislative Changes Affecting the Succession Tax*, the succession tax tables published in Special Notice 2001(10) should not be relied upon by estates of decedents dying on or after March 1, 2003.

**Effect of This Document:** A Special Notice announces a new policy or practice in response to changes in State or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by DRS.

**For Further Information:** Call the DRS Inheritance/Estate Tax Section at 860-297-5737 during business hours, Monday through Friday.

**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at [www.CT.gov/DRS](http://www.CT.gov/DRS)
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.